

HOUSE BILL NO. 626

INTRODUCED BY K. KERNS

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A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING A COMMITTEE TO STUDY OPTIONS FOR PROCURING DEFAULT SUPPLY IN MONTANA; REQUIRING THE COMMITTEE TO REPORT ITS FINDINGS TO THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE; APPROPRIATING MONEY FOR THE COMMITTEE; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Interim study on default supply service.** (1) There is a committee to study default supply service in Montana as provided in [section 2]. The committee consists of:

- (a) two members of the house of representatives, who have served at least one term on the federal relations, energy, and telecommunications committee, appointed by the speaker, one from each party;
- (b) two members of the senate, who have served at least one term on either the natural resources and energy or energy and telecommunications committee, appointed by the president, one from each party;
- (c) one public service commissioner, selected by the speaker;
- (d) one public service commissioner, selected by the president; and
- (e) one representative from a vertically integrated utility and one representative from a nonvertically integrated utility operating in Montana, selected by the governor.

(2) The members of the committee, other than the legislator members, shall serve for no compensation but are entitled to reimbursement for travel, meals, and lodging as provided in Title 2, chapter 18, part 5. The legislator members are entitled to compensation and expenses as provided in 5-2-302.

(3) The committee is attached for administrative purposes to the legislative services division.

NEW SECTION. **Section 2. Study of default supply service -- determinations -- submission of findings.** (1) The committee established in [section 1] shall study options that may be pursued in Montana to provide a low-cost, reliable default electricity supply load. The committee review must include:

- (a) how default supply is procured in other states;
- (b) default supply load auction processes used in other states to procure default supply;



1 (c) the ability of the public service commission to administer an auction or other options for procuring
2 default supply; and

3 (d) impediments to and methodologies for acquiring long-term contracts for default supply.

4 (2) The study must contemplate default supply in a regulated and deregulated market.

5 (3) The default supply service committee shall complete the study by June 30, 2008, and report its
6 findings to the energy and telecommunications interim committee provided for in 5-5-230. The report must include
7 recommendations of legislation that should be pursued to implement the default supply service committee's
8 findings.

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10 NEW SECTION. **Section 3. Appropriation.** There is appropriated from the general fund to the
11 legislative services division \$10,000 for use in the 2009 biennium by the default supply service committee for the
12 purposes provided in [section 2].

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14 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2007.

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